

# **Report of the Commissioner of Financial Institutions**

## **G. Edward Leary**

**To the Honorable Spencer J. Cox, Governor  
And the Legislature of the State of Utah**

A Portable Document Format (PDF) file containing a complete copy of the Forty-First Annual and Seventy-Fifth Report of the Commissioner of Financial Institutions has been delivered electronically to the Governor's Office, each member of the Legislature of the State of Utah, and the Director of the Legislative Research and General Counsel. An electronic copy of the report will soon be sent to each depository institution regulated by the Department. The report (Annual.pdf) will also be made available on the Department's website, at [www.dfi.utah.gov/general-information/publications](http://www.dfi.utah.gov/general-information/publications), for public review. A limited number of printed copies of the Report will be on file at the Department's office at 324 South State, Suite 201, in Salt Lake City, and will be made available upon request.

### **Executive Summary**

As of June 30, 2021, the Department regulated 21 commercial banks, 28 credit unions, and 16 industrial banks. Total assets held in state-chartered depository institutions increased 6.50 percent this past year, from \$350,216,853,000, as of June 30, 2020, to \$372,992,377,000, as of June 30, 2021.

The Department also has under its jurisdiction 261 Residential First Mortgage Lenders, Brokers, and Servicers; 126 Licensed Money Transmitters; 42 brick and mortar and internet Deferred Deposit Lenders; 48 Title Lenders; 63 Check Cashers; and 7 Independent Escrow Agents registered to do business in Utah.

### *Significant Events During the Past Fiscal Year*

Fiscal year 2021 saw a continued improvement in the economic condition for Utah's financial industries. While there was a small decline in the number credit unions, total assets held by state-chartered depository institutions increased and nearly every depository institution continued to see improvement in their financial condition. Institutions again reported positive earnings and the quality of their loan portfolios continued to improve. Capital levels climbed, reflecting the growing strength of Utah's economy. When the COVID-19 pandemic continues to exercise some constraints on the economy, deposits in financial institutions grew. Overall, financial institutions in the State of Utah are handling the economic affects of the coronavirus-related restrictions well.

Two of the three depository institutions chartered in fiscal year 2020 opened in fiscal year 2021. The third institution, a commercial bank, was unsuccessful in raising the necessary capital and withdrew their application.

As of June 30, 2021, the Department was the seventh largest state banking regulator in the United States, as measured by total assets under supervision. The Department supervised less

assets than some larger financial center states; like New York, California, Texas, North Carolina, Massachusetts, and Illinois, but had more assets under supervision than the banking departments in Alabama, Tennessee, and Pennsylvania.

Total assets in state-chartered commercial banks increased .18 percent in fiscal year 2021, going from \$191.7 billion, as of June 30, 2020, to \$192.1 billion, as of June 30, 2021. The total number of operating state-chartered commercial banks remain constant at twenty-one. No banks were closed during the year. As of June 30, 2021, Utah's three largest state-chartered commercial banks continued to be: Ally Bank at \$170.1 billion; Altabank at \$3.5 billion; and Cache Valley Bank at \$2.9 billion.

The number of state-chartered credit unions declined by one this past year, due to a state-chartered credit union converting to a federal charter. Total assets held by credit unions grew 12.12 percent during the fiscal year, going from \$2.05 billion, as of June 30, 2020, to \$2.30 billion, as of June 30, 2021. Utah Power Credit Union, at \$915.9 million in total assets, remains Utah's largest state-chartered credit union. Alpine Credit Union, at \$279.7 million, and TransWest Credit Union, at \$180.9 million, continue to be the next two largest state-chartered credit unions.

The number of operating industrial banks in Utah increased by two in fiscal year 2021, while total assets increased by 14.17 percent, going from \$156.5 billion, as of June 30, 2020, to \$178.6 billion, as of June 30, 2021. UBS Bank USA, at \$95.0 billion, Sallie Mae Bank, at \$28.8 billion, and Optum Bank, at \$14.4 billion, are the three largest industrial banks in Utah.

### *Department's Financial Information*

The department's cash receipts totaled \$8,159,617 in fiscal year 2021, a 8.25 percent increase over the revenues collected in fiscal year 2020.

The department was appropriated \$8,127,700 by the legislature for fiscal year 2021, and lapsed \$1,269,520 back to the DFI Restricted Fund Account at the end of the fiscal year. The COVID-19 pandemic continued to have a significant affect the Department's in-state and out-of-state travel, with no in-state and only a little out-of-state travel occurring the entire fiscal year.

### *Legislation Affecting Financial Institutions or the Department*

There was only one bill passed during the 2021 General Session of the Legislature that had a significant affect on the operations of the Department or the financial institutions we regulate. Below is a summary of that bill.

HB 48, "Board of Financial Institutions Amendments" extended the statutory authority of the Board of Financial Institutions, under subsection 7-1-203, and established a new sunset provision of July 1, 2031. Effective May 5, 2021.